Bryan Agri Products

Oklahoma Alliance for Manufacturing Excellence

Bryan County Agricultural Supply Finds The Perfect Mix

Client Profile:
Bryan County Agricultural Supply is a family-owned feed and fertilizer mill. Founded in 1965 in Durant, Oklahoma, the company employs 15 people.

Situation:
Bryan County Agricultural Supply was mixing both feed and fertilizer products in the same facility, with seasonal requirements dictating the primary activity. In 1999, the company rented and refurbished a nearby facility for feed processing so that it could readily mix feeds throughout the year. As a result, feed sales doubled and fertilizer sales increased approximately 20 percent. Nevertheless, profits remained nearly flat. Owner Darrell Valles sought advice and assistance from the Oklahoma Alliance for Manufacturing Excellence (The Alliance), a NIST MEP network affiliate.

Solution:
An Alliance technology transfer specialist analyzed and evaluated Bryan County Agricultural Supply's manufacturing operations in terms of costs and values. The Alliance also developed a tool for the company to use in future analyses and educated company management on the costs of management techniques. After reviewing plant operations and relevant financial data, the Alliance worked with Bryan County Agricultural Supply's management to develop a spreadsheet-based tool to perform operations cost analyses. The tool not only shows "as is" operations, but also allows a user to define "what if" conditions to determine resultant profit profiles and profit sensitivity to sales, operations, and cost variables. Initial analysis focused on feed operations. The Alliance found that profit margins on individual feed mixes ranged from -3.96 percent to +20.01 percent. Based on this information, the company adjusted its feed pricing structure. The Alliance also completed a detailed analysis of the fertilizer operations. Margins varied similarly to those of the feed mixes, and the company modified pricing structures accordingly. The operations costs analysis highlighted the cost drivers for this company.

Results:
Increased sales by $1.2 million.
Retained sales of $40,000.
Saved $50,000 in costs.

Avoided $40,000 in costs.
Created four jobs.
Retained 12 jobs.
Made a $250,000 investment in capital improvements.

Testimonial:

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